



## Decision

**Matter of:** Calspan Corporation

**File:** B-258441

**Date:** January 19, 1995

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### DIGEST

1. Where offerors are required to submit an acceptable organizational conflict of interest (COI) plan in order to be considered for award, evaluators reasonably determined that award selectee's COI plan was acceptable notwithstanding their identification of four correctable deficiencies in that plan.

2. Source selection official's (SSO) decision to raise award selectee's score for one technical factor is unobjectionable since SSO is not bound by the recommendations and conclusions of evaluators and, as a general rule, we will defer to such an official's judgment even when she disagrees with assessments made by working level evaluators.

3. Where mission suitability and cost factors are equal, and relevant experience/past performance is considered somewhat less important, record supports source selection official's determination that award selectee's technical superiority and better experience outweighs protester's lower evaluated cost.

### DECISION

Calspan Corporation, Service Contracts Division, a division of Space Industries International, Inc., protests the selection for contract award of Loral Space Information

Systems, under request for proposals (RFP) No. 9-BG3-12-3-19P, issued by the National Aeronautics and Space Administration (NASA), for safety, reliability, and quality assurance (SR&QA) support services at the NASA Johnson Space Center. Calspan challenges NASA's source selection decision including, and in particular, the determination that Loral's organizational conflict of interest (COI) plan was acceptable.

We deny the protest.

#### BACKGROUND

The RFP sought proposals for SR&QA support services consisting of engineering and nonengineering services, facilities, materials, supplies, and equipment to directly support the overall NASA mission of flying the Space Shuttle safely, and of designing, building, and flying safe and reliable future spacecraft. Among other requirements, offerors' proposals were to include a plan for avoiding or mitigating conflicts of interest. Performance of the contract was to be at four government installations including the Johnson and Kennedy Space Centers. The RFP contemplated award, on a cost-plus-award-fee basis, of a 4 year level-of-effort contract with options for an additional 6 years. Award was to be made to the responsible offeror whose conforming proposal would be most advantageous to the government, cost and other factors considered.

Section M of the RFP identified four evaluation factors: (1) mission suitability, (2) cost, (3) relevant experience and past performance, and (4) other considerations. Mission suitability and cost were described as the most important evaluation factors, and were weighted approximately equal in importance. The last two evaluation factors--relevant experience/past performance, and other considerations--were described as having "somewhat less importance" and "considerably less importance," respectively, than the first two factors and were to be evaluated on an adjectival basis. Cost was not scored or rated, while mission suitability was weighted and scored, as follows: (1) Understanding the Requirement (200 points); (2) Company Resources (300 points); (3) Management Plan (350 points); and (4) Key Personnel (150 points), for a possible total of 1,000 points. Offerors' COI plans were to be evaluated as

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<sup>1</sup>The subfactor Company Resources was scored in two separate elements: recruiting & staffing, training, and total compensation plan (200 points) and facilities and corporate resources (100 points). The Management Plan subfactor was scored on three separate elements: management approach and

(continued...)

part of the management subfactor and the RFP warned that award would not be made to an offeror which submitted an unacceptable COI plan.

Three firms, including Loral (the incumbent) and Calspan (a former subcontractor on the incumbent contract), submitted proposals by the March 28, 1994, closing date. The proposals were evaluated by a source evaluation board (SEB) which identified the strengths and weaknesses in each proposal. Based upon the initial evaluation, NASA included all three proposals in the competitive range. NASA then conducted written and oral discussions with each offeror and solicited revised proposals. After reviewing the responses to questions and revisions, NASA obtained best and final offers (BAFO) from each offeror.

In the final evaluation, Loral's proposal received a mission suitability score of 844 points ("very good") and Calspan's proposal received a score of 793 points ("very good"). With regard to relevant experience/past performance, Loral's proposal was rated "very good" and Calspan's was rated "excellent." For the other considerations factor, both offerors' proposals were rated "satisfactory." Although the SEB found both COI proposals acceptable, it identified deficiencies in both.

The SEB's written report and presentation to the source selection official (SSO) included the evaluation scores, ratings, strengths, weaknesses, and adjusted costs of all the competitive range offerors, but did not recommend any proposal as most advantageous to NASA. After the SEB's initial presentation, the SSO requested additional information on the relevant experience of Calspan and of the third offeror's. After completing additional research, the SEB concluded that there was no basis to revise any of the findings, ratings, scoring, or probable costs of any proposal based on the additional review.

Following the SEB's second presentation, the SSO met in "executive session" with the SEB chairman, the SR&QA director, and others knowledgeable about the procurement to obtain their comments and observations about the proposals. See NASA Source Evaluation Board Handbook, NASA Federal

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<sup>1</sup>(...continued)  
organizational plan, including the COI plan (200 points); operations plan (100 points); and NASA plan for disadvantaged business (50 points). While the other subfactors were evaluated on the basis of various elements, these were not separately scored.

Acquisition Regulation Supplement (NFARS), 48 C.F.R. § 1870.303, Appendix I, §§ 101(6), 102(2)(d) (hereinafter, Handbook). Because its mission suitability score was so low and it offered no cost advantage, the third offeror's proposal was eliminated by the SSO.

In comparing the proposals of Loral and Calspan, the SSO found that Loral's proposal enjoyed a considerable advantage over Calspan's proposal under the mission suitability factor. With respect to the COI plan deficiencies, the SSO noted that the SEB determined the plan to be acceptable and the deficiencies correctable. As to relevant experience/past performance factor, the SSO raised Loral's score from "very good" to "excellent" because she determined that Loral's minor weakness in this factor was not as significant as the SEB found. With regard to cost, the SSO determined that the higher probable cost proposed by Loral (approximately 15 percent) was relatively small, especially when viewed over the potential 10-year contract period. Overall, the SSO concluded that the substantive and qualitative superiority of the Loral proposal in mission suitability, coupled with its more extensive experience and excellent past performance, outweighed the advantage Calspan's proposal enjoyed in probable cost. Accordingly, the SSO selected Loral for negotiations leading to award of a contract. At the time of selection, Loral's evaluated probable cost was \$299.1 million.

Upon receiving notice of the selection and receiving a debriefing, Calspan filed this protest. Calspan argues that the source selection decision was flawed for three reasons: Loral's COI plan should have been rejected as unacceptable; the SSO improperly increased Loral's proposal score with regard to relevant experience; and the SSO's cost/technical tradeoff determination was not rationally based. We find these allegations without merit.

#### ACCEPTABILITY OF LORAL'S COI PLAN

The contract to be awarded will include clause H.5 (Potential Conflict of Interest), which requires the contractor to immediately notify the contracting officer when conflicts are identified, including any case where the contractor or its subcontractors will perform SR&QA work for tasks which the contractor provides to NASA under other NASA contracts. Within 7 days after that notice, the contractor must submit a proposed plan of action for eliminating or adequately mitigating the conflict, and upon approval, implement the plan. The RFP advised offerors to describe the steps they would take to avoid or adequately mitigate known or potential conflicts of interest. During discussions, NASA provided ground rules for development of COI plans under clause H.5. Under these rules, if the prime

contractor had a conflict, the only means for acceptable mitigation were (1) performance of the work by civil servants (rescission of the task order) or (2) performance by a "walled-off" subcontractor meeting five specified conditions (see below). The RFP also advised that no award would be made to an offeror which submitted an unacceptable COI plan and that the Federal Acquisition Regulation (FAR) § 9.504(e) notification and opportunity to respond process was to be accomplished in discussions with firms in the competitive range and "subsequent best and final offers."

After reviewing the initial and revised COI plans, the SEB evaluated both Loral's and Calspan's plans as acceptable, but found that both contained deficiencies. Under the management approach/organization element, the SEB identified four deficiencies in Loral's COI plan, which it characterized as a major weakness, and two deficiencies in Calspan's plan which it characterized as a minor weakness.<sup>2</sup> Calspan contends that selection of Loral for award was improper because Loral's COI plan should have been determined unacceptable due to the identified deficiencies.<sup>3</sup> NASA responds that the SEB reasonably found the plan acceptable, despite its identification of the deficiencies.

An agency is responsible for identifying and resolving conflicts of interest with regard to a particular procurement and in doing so, is required to exercise common sense, good judgment, and sound discretion. KPMG Peat Marwick, B-255224, Feb. 15, 1994, 94-1 CPD ¶ 111. An agency should withhold award of a contract when an actual or potential conflict cannot be avoided or mitigated. Id.; FAR § 9.504(e). We will not disturb a contracting agency's determination regarding a conflict of interest unless it is shown to be unreasonable. KPMG Peat Marwick, supra. Similarly, where, as here, an evaluation is challenged, we will examine the agency's evaluation to ensure that it was reasonable and consistent with the evaluation criteria and applicable statutes and regulations, since the relative

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<sup>2</sup>The SEB also identified deficiencies in the third offeror's COI plan, but found it acceptable as well.

<sup>3</sup>In this regard, Calspan erroneously claims that the SSO cited the Loral plan as a "major deficiency" in her selection statement. Actually, the SSO stated, "Only one major deficiency was identified by the Board, which was in the conflict of interest plan." Elsewhere in her statement, the SSO observes that the SEB found all the plans acceptable despite the deficiencies. It is plain from the SSO's statement that the plan contained deficiencies but was not itself evaluated as a deficiency.

merit of competing proposals is primarily a matter of administrative discretion. Information Sys. & Networks Corp., 69 Comp. Gen. 284 (1990), 90-1 CPD ¶ 203. Mere disagreement with the agency's evaluation does not itself render the evaluation unreasonable. Litton Sys., Inc., B-237596.3, Aug. 8, 1990, 90-2 CPD ¶ 115.

Loral currently has several known or potential conflicts, including a conflict in performing SR&QA tasks concerning Shuttle on-board software, due to its purchase of the contractor responsible for that software. In response to the RFP requirement for a COI plan, Loral provided a detailed plan outlining how it would handle known and potential conflicts. With regard to the Shuttle software conflict and most others, Loral proposed a specific walled-off subcontractor which would be separated from Loral by use of an intermediary firm. Since this subcontractor itself has a potential conflict regarding one aspect of Shuttle software, Loral proposed use of civil servants or, if they are unavailable, use of another to-be-named subcontractor. For other potential conflicts, Loral proposed use of civil servants and, in the alternative, the identified subcontractor.

The four deficiencies identified by the SEB include: proposing a Loral team member "with no bid interest or another subcontractor" to handle conflicts relating to specification development; assignment of a senior engineer to manage the walled-off subcontractor's work, instead of the required "management personnel"; potential cost risk associated with the type of contract arrangement between Loral and the intermediary firm; and Loral's proposal to have the walled-off subcontractor occupy secure space in the same building where Loral personnel would be located.

We have reviewed the Loral COI plan and revisions, the SEB's evaluation, and NASA's explanation concerning the seriousness and correctability of the identified deficiencies. We find reasonable the agency's determination that the COI plan is acceptable notwithstanding the identified deficiencies. In this regard, as to the first deficiency, NASA states that Loral is technically in compliance because the plan alternatively proposes "another subcontractor." As to the second deficiency, NASA explains that elsewhere in Loral's proposal, it properly proposed to use only management personnel to manage the walled-off subcontractor's work. NASA viewed the proposal of an engineer simply as a correctable staffing issue rather than a conflict. Similarly, the potential cost risk associated with Loral's contract arrangement with its intermediary firm was viewed as a correctable plan weakness and not a conflict of interest problem. With regard to the last deficiency, NASA observed that Loral had proposed separate space and

cipher locks to establish the requirement for a "separate facility." While this was not "optimal" for this requirement, NASA considered that it technically met the requirement. All these deficiencies are reasonably viewed as weaknesses in the plan which do not render it unacceptable. Under FAR § 9.504(e) the issue is whether a conflict can be avoided or mitigated. Here, it is plain that Loral has proposed an acceptable plan to avoid or mitigate its conflicts. The fact that some limited aspects require amelioration does not make the plan unacceptable.

We reach the same conclusion with regard to Calspan's assertion that the walled-off subcontractor proposed by Loral does not meet any of the five conditions for the subcontractor. These conditions included location of the subcontractor in a separate facility; management of work performance by the subcontractor's management personnel; absence of any measurable influence by the prime contractor; qualification of the subcontractor to perform the work; and the absence of any subcontractor conflicts related to performance of the task in question.

Calspan first objects to Loral's proposal regarding a "separate facility." We have already found that NASA reasonably concluded that Loral's proposal was technically compliant, but not optimal. However, Calspan argues here that Loral, as landlord of the facility where the subcontractor will work, will present a "measurable influence" on the subcontractor. Calspan's factual premise is mistaken. Based on our review of Loral's proposal, while Loral leases some 50 percent of the building in question, it is not the owner. Both Loral and the subcontractor will have independent leases and Loral's proposal states that it will have no contracts with the subcontractor. Its proposal also states that the subcontractor will not be susceptible to any measurable influence from Loral because of contractual relationships. For example, Loral would have no ability to reward or not reward the subcontractor and no ability to influence the hiring/firing of the personnel performing the subcontractor's work.

Calspan also argues that various other teamings between Loral and the proposed subcontractor and rumors of a merger between the firms should have been investigated by NASA as potential "influence" of Loral on the subcontractor. We agree with NASA that the appropriate inquiry concerns the current situation between the prime and subcontractor, not speculation regarding past teaming arrangements and rumored mergers. To the extent any of the teaming arrangements referenced by Calspan are ongoing, there is no allegation or evidence of what measurable influence may be present.

With regard to the subcontractor's qualifications to allow timely, effective, and efficient accomplishment of the work, Calspan argues that Loral's use of an intermediary firm will adversely impact the efficient handling of time-sensitive work involving a conflict. For example, one of the scenarios listed in the RFP to test offerors' understanding of the requirement involved a time-sensitive investigation of Shuttle software. Calspan contends that Loral's COI plan would be unworkable in this situation. We have reviewed the Loral proposal and note that Loral addressed its response to the scenario in terms of its COI plan and use of the walled-off subcontractor. In evaluating Loral's response, the SEB identified a weakness regarding Loral's understanding of the process. Thus, it is plain that the agency was aware of Loral's COI plan when it evaluated the proposal and was satisfied that the plan met its requirements. Calspan's mere disagreement with the agency's evaluation does not make it unreasonable. Litton Sys., Inc., supra.

Calspan also contends that the walled-off subcontractor is unacceptable because it has its own conflict of interest. This fifth condition requires that a subcontractor can be considered "walled-off" only if it "has no conflicts of interest related to performance of the task in question." Here, Loral has not proposed this subcontractor for tasks where the subcontractor has a conflict. When NASA identified this as an issue, Loral's revised proposal spelled out the subcontractor's conflict in greater detail and provided a plan for avoiding it. We find nothing improper in NASA's determination that the subcontractor meets the final condition.

In any event, NASA explains that the Loral plan's deficiencies are correctable and may be resolved in the negotiations leading to an award. While Calspan argues that the RFP requires all changes to a COI plan be made in discussions and subsequent BAFOs, we disagree. There is nothing improper in NASA's plan to resolve the identified shortcomings. The NASA procurement regulations specifically provide for post-selection negotiations to eliminate correctable weaknesses in the proposal of the offeror selected for award. NFARS, 48 C.F.R. § 1815.613-71(b)(8); FAR § 15.613. The RFP provision on which Calspan relies is not inconsistent with this process. The RFP simply advised offerors that, pursuant to FAR § 9.504(e), no award would be made where an offeror submitted an unacceptable COI plan. Section 9.504(e) provides that before withholding award due

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<sup>4</sup>In fact, the agency has advised Loral that, in accordance with Loral's COI plan, it will use civil servants for its subcontractor's conflict. Thus, the presence of a conflict does not preclude Loral's use of that subcontractor.



to a conflict, the agency must notify the offeror and provide an opportunity to respond. The RFP provided that this notice and response procedure would be accomplished during discussions and subsequent BAFOs. This procedure was followed during the evaluation period and, based on the offerors's revisions, the SEB determined that all plans were acceptable. Nothing in this RFP provision prohibits NASA from following its regular procedure to resolve correctable weaknesses after selection.

In any case, Calspan was not prejudiced here. Calspan's COI plan also contained uncorrected deficiencies after the protester submitted its BAFO, thus NASA would have had to follow the same procedure with it, had it been selected for award. In the absence of clear prejudice, we will not disturb a contract award. American Mutual Protective Bureau, Inc., B-229967, Jan. 22, 1988, 88-1 CPD ¶ 65.

#### CHANGE IN LORAL'S EVALUATION SCORE

For the factor relevant experience/past performance, the SEB scored Loral's proposal as "very good" and Calspan's proposal as "excellent." For Loral's proposal, the SEB identified two major strengths in directly relatable experience and technical and cost performance. For Calspan's proposal the SEB identified one major strength in technical and cost management and a minor strength in relatable experience. The SEB also identified a minor weakness for Loral's proposal, attributable to a lack of directly relatable experience of one of Loral's subcontractors. The SEB stated that the subcontractor's experience was minimal beyond recent (since January 1994) support of the incumbent, Loral, and that its past experience was of much smaller scope than proposed for this effort, (approximately 26 percent of the new contract, according to Calspan). The SEB's assessment was that this was an uncorrectable weakness. When the SEB re-evaluated Calspan's experience, it found no basis to change either offeror's score on this factor.

In view of these SEB evaluations, Calspan contends that the SSO improperly raised Loral's score on the past performance/ relevant experience factor to "excellent" and improperly determined that Loral's past experience was better than Calspan's past experience. In Calspan's view, the presence of an uncorrectable minor weakness precluded a rating of "excellent," and its past experience on the SR&QA contract as a subcontractor to Loral should have been considered of greater weight, since it, not Loral was responsible for the performance of the relevant responsibilities. Thus, Calspan concludes that the SSO's decision had no rational basis. We disagree.

Source selection officials in negotiated procurements are not bound by the recommendations or evaluation judgments of lower-level evaluators, even though the working level evaluators may normally be expected to have the technical expertise required for such evaluations. Grey Advertising, Inc., 55 Comp. Gen. 1111 (1976), 76-1 CPD ¶ 325; Benchmark Sec., Inc., B-247655.2, Feb. 4, 1993, 93-1 CPD ¶ 133. Thus, SSO's have broad discretion in determining the manner and extent to which they will make use of the technical and cost evaluation results, and their technical judgments are governed only by the tests of rationality and consistency with the stated evaluation criteria. Id.

Based upon our review of the record including the SEB's reports, the SSO's source selection statement and her affidavit, we find the SSO's determinations regarding Loral's relevant/past experience scores to be reasonable and rational. In the executive session, which included the SEB chairman, the SSO discussed this matter at some length and concluded that the minor weakness identified by the SEB was not as significant as reported by the Board. In reaching this conclusion, she considered the major strengths in Loral's proposal including its past performance on the prior SR&QA contract. She considered the assessment of the SR&QA director (who had significant and direct involvement in the prior contract), that the limited experience of one subcontractor would not be detrimental to contract performance in view of Loral's strong management team coupled with its track record and excellent past performance. The SSO considered this opinion to be confirmed by Loral's major strength for excellent technical performance under this factor, its major strength for overall management approach under the management plan subfactor, and Loral's "excellent" proposal score for the key personnel subfactor. The SSO also noted that the subcontractor in question had already been performing on the prior SR&QA contract with no degradation in overall performance. She found Loral's proven management skills as prime contractor to be sufficient to successfully enable the transition of the subcontractor to greater responsibilities. The SSO concluded that the SEB's assessment was not supported when it found that the subcontractor's limited experience was an "uncorrectable" minor weakness, and she raised Loral's score to "excellent." According to the SSO, those in the executive session generally agreed with her assessments and decision to change Loral's proposal score.

The SSO's reasoning for increasing the Loral proposal score was rationally based on the knowledge of NASA personnel familiar with the prior successful performance of Loral and its proposed subcontractor. This information also was consistent with the SEB's superior evaluation of other aspects of Loral's proposal. While Calspan disagrees with

the SSO's conclusions, that disagreement does not make her determination unreasonable. Litton Sys., Inc., supra.

Likewise, the SEB's assessment that the weakness was uncorrectable did not preclude the SSO from increasing Loral's proposal rating. We recognize that under NASA source selection procedures, a rating of "excellent" is defined in part to include only minor "correctable" weaknesses. Handbook § 406. However, we do not agree that this scoring method is binding on the SSO. As stated elsewhere in the NASA regulations:

"In the final analysis, NASA's judgment on the totality of the evaluation will be that of the [SSO], including assessment of the procedures followed by the SEB, the validity of its substantive evaluations, the relative significance of the several areas of evaluation and their weightings in the light of all the information produced by the source evaluation and selection process." NFARS, 48 C.F.R. § 1815.613-71(b).

We also find rational the SSO's decision to give more weight to Loral's relevant experience than to Calspan's. In reviewing the relevant experience/past performance scores, the SSO considered that Loral had been the prime SR&QA contractor for approximately 5 years and that Calspan had performed approximately 12 percent of that effort. In the SSO's view, Loral's overall responsibility for successful performance and management of the entire SR&QA effort was entitled to greater weight than Calspan's hands-on effort. In this regard, she noted that Loral also had engineers working in other SR&QA areas with directly comparable knowledge and skills. The SSO also observed that her conclusion was consistent with the SEB's identification of relative strengths of the competing proposals. Loral's proposal was evaluated as having a major strength for "excellent directly relatable experience" while Calspan's proposal was rated as having a minor strength for "good relatable experience." Given the differing levels of the offerors' responsibility, as recognized by the SEB, we have no basis to object to the SSO's decision to ascribe more weight to Loral's experience under this factor.

#### THE COST/TECHNICAL TRADEOFF

Calspan next argues that the SSO's selection decision lacks a rational basis because it relies too heavily on technical considerations and does not adequately explain why Loral's proposal is worth the significantly higher cost associated with it.

In a negotiated procurement, the government is not required to make award to the offeror submitting the lowest cost, technically acceptable proposal unless the RFP specifies that cost will be the determinative factor for award. General Servs. Eng'g, Inc., B-245458, Jan. 9, 1992, 92-1 CPD ¶ 44. Agency officials have broad discretion in determining the manner and extent to which they will make use of technical and cost evaluation results. Cost/technical tradeoffs may be made; the extent to which one may be sacrificed for the other is governed by the test of rationality and consistency with the established evaluation factors. Id. Award to offerors with higher technically scored proposals and higher costs are unobjectionable, so long as the result is consistent with the evaluation criteria and the agency has determined that the technical difference is sufficiently significant to outweigh the cost difference. Kelsey-Seybold Clinic, P.A., B-217246, July 26, 1985, 85-2 CPD ¶ 90. An award based on technical superiority, at a higher cost is not improper, even where technical and cost factors are considered equal. Id. A selection decision must be documented in sufficient detail to show that it is not arbitrary. See Northwest EnviroService, Inc., 71 Comp. Gen. 453 (1992), 92-2 CPD ¶ 38. We determine the rationality of a source selection decision from all the information provided, including the arguments of the parties. Hydraudyne Sys. and Eng'g B.V., B-241236; B-241236.2, Jan. 30, 1991, 91-1 CPD ¶ 88. Here, the record supports the SSO's decision to select Loral for award as the technically superior offeror, even though Loral proposed a higher cost than Calspan.

In reaching her decision to select Loral for award, the SSO first received a detailed briefing from the SEB on the evaluation, including the costs, mission suitability scores, adjectival ratings, and strengths and weaknesses of each proposal. At the conclusion of this presentation, the SSO directed the SEB to further investigate the relative experience and past performance of Calspan and the third offeror. The SEB made another presentation at which it advised the SSO that the additional investigation had no effect on the prior evaluation and proposed costs of the offerors. The SSO then met with NASA personnel with knowledge of the SR&QA program and procurement to discuss the findings of the SEB. During this executive session, the SSO quickly eliminated the third offeror's proposal since it was considerably lower scored in mission suitability than either Loral's or Calspan's, and it offered no cost advantage over Calspan's proposal. The SSO then weighed the differences between the Calspan and Loral proposals.

The SSO considered that Loral's proposal had a significant advantage over Calspan's proposal in mission suitability. She observed that Loral's proposal advantage lay first in

two of the most important mission suitability subfactors, understanding the requirements and company resources, specifically the recruiting, staffing, training, and total compensation plan element. For example, Loral's proposal had 5 major strengths, 4 minor strengths, and only 2 minor weaknesses in these 2 subfactors while Calspan's proposal had 1 major strength, 10 minor strengths, and 4 minor weaknesses. The SSO noted that Calspan's management plan score was higher than Loral's, but considered that the SEB found Loral's overall management approach to be excellent. She also considered that both offerors had proposed acceptable COI plans, but that both had correctable deficiencies. Loral's score for key personnel was slightly higher than Calspan's and though both proposals had the same number of major and minor strengths, Calspan's proposal had two minor weaknesses for this subfactor.

As discussed above, the SSO determined that Loral's proposal should have been scored higher on relevant experience. While she considered Calspan's experience and past performance on the prior SR&QA contract, she found that Loral's directly relatable experience was entitled to greater weight than Calspan's experience.

In weighing the relative value of the proposals, the SSO explains that she did not lightly dismiss the cost savings associated with Calspan's proposal. However, the SSO found that Loral's superiority in understanding the requirement was of substantive value to the government. Calspan had only one strength in this area which indicated to the SSO that the protester had a limited grasp of the overall complexities of the SR&QA contract and raised the question of its ability to perform as effectively as Loral. The SSO also considered the fact that the contract is dependent upon the quality of personnel recruited and the ability of the contractor to retain them. Thus, Loral's superior proposal with regard to recruiting and total compensation was deemed more valuable than Calspan's proposal which had a weakness in this area. Overall, the SSO concluded that the substantive and qualitative superiority of the Loral proposal in mission suitability, coupled with its more extensive experience and excellent past performance, outweighed the advantage Calspan enjoyed in lower probable cost. In this regard, she considered that the successful and safe completion of Shuttle missions and other NASA missions were dependent on the SR&QA work to be performed under the contract.

Calspan argues that the SSO's emphasis on technical superiority and safety issues represents an improper emphasis on technical matters over cost when the RFP evaluation scheme makes mission suitability and cost equal. While the selection decision focused on Loral's greater

technical strength, this does not mean that the SSO's decision was inconsistent with the evaluation scheme. To the contrary, although mission suitability and cost were approximately equal, the SSO also considered past experience, another evaluation factor, in determining the proposal which represented the greatest value to NASA. The RFP identifies this factor as being of somewhat lesser importance than cost and mission suitability. Considering the combined factors, it is reasonable to conclude that the proposal with advantages in both factors outweighs a proposal with advantages in only one factor. Further, whenever equal factors are considered, the fact that one is chosen as more valuable does not mean that the relative weights of the evaluation factors have been changed. It simply means that one has become the discriminator between competing proposals. See Teledyne Brown Eng'g, B-258078; B-258078.2, Dec. 6, 1994, 94-2 CPD ¶ 223. Here, the SSO has clearly outlined the reasons for her source selection. They are rational, supported by the evaluation record, and consistent with the evaluation criteria. Thus, we have no basis to object to the selection of Loral for contract award. See Kelsey-Seybold Clinic, P.A., supra.

The protest is denied.

\s\ Paul Lieberman  
for Robert P. Murphy  
General Counsel